



# Seneca Sawmill Company

197258

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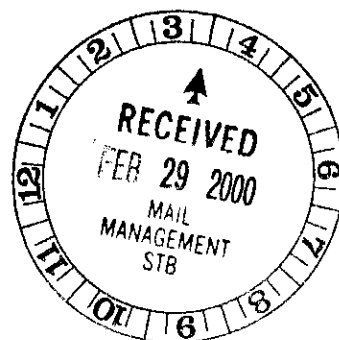
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February 24, 2000

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Surface Transportation Board  
Office of the Secretary  
Case Control Unit  
Attention: STB Ex Parte No. 582  
1925 K Street, NW  
Washington, DC 20423-0001

**Re: BNSF/CN - STB Finance Docket No. 33842**

My name is Aaron U. Jones, I am the owner of Seneca Sawmill Company, located in Eugene, Oregon. We have been in the business of manufacturing and shipping lumber since 1954.

Over the past several years the rail transportation industry has gone through tremendous consolidations approved by the Surface Transportation Board. I am told that, in the long run, those consolidations will be beneficial to all. Until the "long run" gets here, I want you to know we are not happy. We have been done an injustice by the STB. That being said, I want you to know I have several concerns when considering future rail consolidation and the structure of North American railroads.

Local service is a problem. As a result of the SP/UP merger, Seneca and many others suffered substantial losses due to the inability to move our products in a timely manner to distant markets economically accessible only by rail. As you know, this catastrophe took months to get resolved. Prior to this merger, the BN and the ATSF merged. While this merger was not marked by rail gridlock, local service provided to us has deteriorated. This service deterioration is also apparent on the UP, by whom we are also served. Please do not consider any additional mergers until local service has been brought up to pre-merger standards. While terminal-to-terminal service may be substantially improved, the details of local service are being ignored. If not addressed they will be more costly to us than the SP/UP gridlock.

My second concern is competition. The lumber business is an industry that has literally thousands of producers and as many consumers. That number of sophisticated buyers and sellers makes for a market that requires continual capital investment to maintain efficiency and quick response to market demands in order to be successful. Additional consolidation of the rail industry will lead to the loss of the necessary critical mass of competitors required to keep the participants' price and service competitive.

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Thirdly, I am concerned about United States railroads being controlled by Canadian railroads. It is the history of the Canadian government to subsidize their wood products manufacturing facilities in order to maintain employment at the expense of U.S. manufacturers. These subsidies have taken several forms, among them reduced prices for crown timber and reduced rail rates. These subsidies are evidenced by the existence of an import quota having been placed on Canadian lumber entering the United States. The STB must acknowledge these subsidies and refuse to consider any mergers of this type until proof exists that the subsidies have been eliminated.

Until the above issues are satisfactorily addressed we are opposed to any major railroad mergers.

Sincerely,

A handwritten signature in cursive script that reads "Aaron U. Jones".

Aaron U. Jones  
Owner & President

AUJ:dme